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## Cover Story

The Kaplan Fund episode is another maladroit and worrisome incident involving the CIA. Briefly, the facts are these. Rep. Wright Patman of Texas is the chairman of a House subcommittee that for some time has been reviewing the tax-exempt status of foundations. One such institution that caught Mr. Patman's attention was the Kaplan Fund of New York City, which was incorporated in 1944. It is named for J. M. Kaplan, a prominent financier.

The Fund's stated purposes are "to strengthen democracy at home and abroad through a general program of assistance to benevolent, charitable, educational, scientific and literary activities, with some emphasis on intergroup relations." Among the Fund's philanthropies have been contributions to free Shakespeare performances in Central Park and to the preservation of Carnegie Hall.

But apparently among the unstated purposes of the Fund has been to serve as a "cover" for certain CIA ventures. Let it be emphasized that these activities are not necessarily sinister. It has been known for some time that the CIA has been making contributions to research projects and to overseas groups and publications, and that the agency has used existing organizations as a "cover" for its activities. And this practice is widespread among intelligence organizations elsewhere.

The problem is less with the practice than with

the principle, because the CIA must by necessity operate in a shadowy area outside of public surveillance. Thus the New York district office of the Internal Revenue Service which had been investigating the Kaplan Fund apparently had no knowledge of the foundation's ties with the CIA. Yet any diligent investigator would be startled by tax returns which showed strangely symmetrical contributions from nonexistent sources. Over a three-year period, the Kaplan fund reported receipts totaling exactly \$130,000 from each of three funds: the Edsel Fund, the Beacon Fund, and the Kentfield Fund.

The truth is that in an open society it is difficult for the CIA to exact the degree of complicity which would be taken for granted in a totalitarian country. Law enforcement officials cannot easily wink away apparent violations—especially if a warm-tempered Congressman like Mr. Patman is charging improprieties. So the "cover" is stripped away, to the immense inconvenience of the CIA.

Yet the Kaplan Fund episode is not only an embarrassment to the intelligence agency; it is an embarrassment for the country as well. The revelations of the CIA role in one foundation may increase suspicions that other foundations are also serving as a CIA "cover." Foreign governments will be increasingly chary of cooperation with U.S. foundations if they believe that spying is mixed with philanthropy.

In the end, this question must be faced: Do covert activities of the CIA of the kind exemplified in the Kaplan Fund episode do enough good to cancel out the harm to America in loss of credibility? The question cannot be easily answered; neither can it be swept under the rug.